

**Summary of Consolidated Financial Results
for the Year Ended March 31, 2023
(Based on Japanese GAAP)**

May 12, 2023

Company name: CMK CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 6958 URL <https://www.cmk-corp.com/>
 Representative: President and Chief Executive Officer Isao Osawa
 Senior Executive
 Inquiries: Accounting Department General Manager Nobutaka Okubo TEL 03-5323-0231
 Scheduled date of ordinary general meeting of shareholders: June 27, 2023
 Scheduled date to file Securities Report: June 27, 2023
 Scheduled date to commence dividend payments: June 28, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2023	83,840	2.9	2,605	△13.7	2,622	△20.6	1,588	△43.0
Year ended March 31, 2022	81,486	16.5	3,021	—	3,305	—	2,785	—

(Note) Comprehensive income:

Year ended March 31, 2023 5,196 million yen (7.7 %) Year ended March 31, 2022 4,826 million yen (— %)

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2023	26.83	—	2.9	2.4	3.1
Year ended March 31, 2022	47.05	—	5.5	3.3	3.7

(Reference) Equity in earnings of affiliated companies

Year ended March 31, 2023 —million yen Year ended March 31, 2022 —million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	114,570	58,779	49.6	960.06
As of March 31, 2022	104,865	54,466	50.3	890.55

(Reference) Shareholder's equity:

As of March 31, 2023 56,847 million yen As of March 31, 2022 52,716 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	6,245	△6,598	6,906	23,596
Year ended March 31, 2022	2,476	△6,107	1,574	15,879

2. Cash dividends

	Annual dividends per share					Total cash dividends(Total) Millions of yen	Dividend payout ratio (Consolidated) %	Ratio of dividends to net assets (Consolidated) %
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen			
Year ended March 31, 2022	—	0.00	—	14.00	14.00	828	29.8	1.6
Year ended March 31, 2023	—	0.00	—	8.50	8.50	503	31.7	0.9
Year ending March 31, 2024 (forecast)	—	0.00	—	10.00	10.00		31.2	

3. Forecast of consolidated financial results for the year ending March 31, 2024(from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	85,000	1.4	2,700	3.6	2,500	△4.7	1,900	19.6	32.09

※ Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(Changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements:

1) Changes in accounting policies due to revisions to accounting standards and other regulations: No

2) Changes in accounting policies due to other reasons: No

3) Changes in accounting estimates: No

4) Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	63,077,770 shares	As of March 31, 2022	63,060,164 shares
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2) Number of treasury shares at the end of the period

As of March 31, 2023	3,865,795 shares	As of March 31, 2022	3,865,040 shares
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3) Average number of shares during the period

Year ended March 31, 2023	59,205,221 shares	Year ended March 31, 2022	59,195,464 shares
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(Reference) Summary of Non-consolidated Financial Statement

Non-consolidated financial results for the year ended March 31, 2023(from April 1, 2022 to March 31, 2023)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2023	45,962	△1.8	△861	—	△370	—	△608	—
Year ended March 31, 2022	46,787	11.3	1,007	—	1,479	45.2	957	△17.7

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended March 31, 2023	△10.28	—
Year ended March 31, 2022	16.17	—

(2) Non-Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	90,376	39,068	43.2	659.82
As of March 31, 2022	85,480	40,259	47.1	680.12

(Reference) Shareholder's equity:

As of March 31, 2023 39,068 million yen As of March 31, 2022 40,259 million yen

※This financial results statement is exempt from the audit procedures by certified public accountants or accounting auditors.

※Cautionary statement regarding forward-looking statements, and other information

Forward-looking statements such as operational forecasts contained in this report are based on the information currently available to the Company and certain assumptions regarded as reasonable, but are not guarantees of the achievements by the Company. Actual results may differ from any forecasts expressed in the statements due to various factors.

Consolidated financial statements
Consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	15,879	23,596
Notes and accounts receivable - trade	17,948	17,664
Electronically recorded monetary claims - operating	4,427	1,531
Merchandise and finished goods	9,621	9,691
Work in process	3,673	4,415
Raw materials and supplies	2,775	3,242
Other	1,337	1,552
Allowance for doubtful accounts	△40	△41
Total current assets	55,623	61,652
Non-current assets		
Property, plant and equipment		
Buildings and structures	54,264	56,342
Accumulated depreciation	△42,051	△43,555
Buildings and structures, net	12,212	12,786
Machinery, equipment and vehicles	72,362	76,927
Accumulated depreciation	△54,641	△57,498
Machinery, equipment and vehicles, net	17,721	19,428
Tools, furniture and fixtures	5,769	6,425
Accumulated depreciation	△4,509	△4,926
Tools, furniture and fixtures, net	1,259	1,498
Land	7,758	7,801
Construction in progress	3,251	4,324
Total property, plant and equipment	42,204	45,839
Intangible assets		
Goodwill	58	40
Other	341	329
Total intangible assets	400	370
Investments and other assets		
Investment securities	2,975	3,126
Retirement benefit asset	1,221	827
Deferred tax assets	93	307
Other	2,340	2,412
Allowance for doubtful accounts	△28	△23
Total investments and other assets	6,602	6,651
Total non-current assets	49,206	52,860
Deferred assets		
Bond issuance costs	35	56
Total deferred assets	35	56
Total assets	104,865	114,570

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,506	10,265
Electronically recorded obligations - operating	2,458	2,049
Short-term borrowings	14,328	10,327
Current portion of bonds payable	42	342
Accounts payable - other	2,535	2,359
Lease liabilities	32	49
Income taxes payable	356	240
Provision for bonuses	748	552
Asset retirement obligations	—	2
Provision for loss on disaster	46	—
Other	580	746
Total current liabilities	33,637	26,936
Non-current liabilities		
Bonds payable	3,608	5,765
Long-term borrowings	11,824	21,472
Lease liabilities	66	95
Deferred tax liabilities	647	914
Retirement benefit liability	117	153
Asset retirement obligations	454	404
Other	41	48
Total non-current liabilities	16,761	28,853
Total liabilities	50,398	55,790
Net assets		
Shareholders' equity		
Share capital	22,306	22,310
Capital surplus	16,962	16,966
Retained earnings	13,411	14,171
Treasury shares	△3,135	△3,136
Total shareholders' equity	49,543	50,311
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	959	1,198
Foreign currency translation adjustment	1,977	5,455
Remeasurements of defined benefit plans	235	△118
Total accumulated other comprehensive income	3,172	6,535
Non-controlling interests	1,750	1,931
Total net assets	54,466	58,779
Total liabilities and net assets	104,865	114,570

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	81,486	83,840
Cost of sales	69,199	71,207
Gross profit	12,286	12,633
Selling, general and administrative expenses	9,265	10,027
Operating profit	3,021	2,605
Non-operating income		
Interest income	9	21
Dividend income	87	127
Foreign exchange gains	289	316
Rental income	75	74
Other	242	382
Total non-operating income	705	921
Non-operating expenses		
Interest expenses	204	283
Commission expenses	56	142
Taxes and dues	44	81
Plant shutdown related costs	67	266
Other	48	130
Total non-operating expenses	421	904
Ordinary profit	3,305	2,622
Extraordinary income		
Gain on sale of non-current assets	0	1
Gain on sale of investment securities	—	245
Insurance claim income	249	—
Gain on reversal of Foreign currency translation adjustment	360	—
Other	16	—
Total extraordinary income	627	246
Extraordinary losses		
Loss on sale of non-current assets	0	5
Loss on retirement of non-current assets	154	204
Impairment losses	56	14
Restructuring costs	—	107
Compensation for damage	63	35
Provision for loss on disaster	46	—
Other	34	—
Total extraordinary losses	355	367
Profit before income taxes	3,577	2,502
Income taxes - current	530	583
Income taxes for prior periods	1	55
Income taxes - deferred	△36	122
Total income taxes	495	760
Profit	3,081	1,742
Profit attributable to non-controlling interests	296	153
Profit attributable to owners of parent	2,785	1,588

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	3,081	1,742
Other comprehensive income		
Valuation difference on available-for-sale securities	93	239
Deferred gains or losses on hedges	△0	—
Foreign currency translation adjustment	1,710	3,569
Remeasurements of defined benefit plans, net of tax	△57	△353
Total other comprehensive income	1,745	3,454
Comprehensive income	4,826	5,196
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,165	4,952
Comprehensive income attributable to non-controlling interests	661	244

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	3,577	2,502
Depreciation	4,218	4,752
Amortization of goodwill	23	19
Increase (decrease) in provision for bonuses	202	△195
Increase (decrease) in allowance for doubtful accounts	△84	△10
Increase (decrease) in retirement benefit liability	△96	△84
Interest and dividend income	△97	△149
Interest expenses	204	283
Foreign exchange losses (gains)	82	△369
Loss (gain) on sale of non-current assets	0	4
Loss on retirement of non-current assets	154	204
Impairment losses	56	14
Decrease (increase) in trade receivables	△305	4,569
Decrease (increase) in inventories	△5,378	△265
Increase (decrease) in trade payables	418	△3,962
Increase (decrease) in accrued consumption taxes	1	85
Other, net	△155	△262
Subtotal	2,822	7,136
Interest and dividends received	97	148
Interest paid	△209	△284
Income taxes paid	△233	△755
Net cash provided by (used in) operating activities	2,476	6,245
Cash flows from investing activities		
Purchase of property, plant and equipment	△6,121	△6,744
Proceeds from sale of property, plant and equipment	277	3
Purchase of intangible assets	△126	△21
Purchase of investment securities	△11	△10
Proceeds from sale and redemption of investment securities	—	434
Loan advances	—	△0
Proceeds from collection of loans receivable	0	—
Other, net	△125	△259
Net cash provided by (used in) investing activities	△6,107	△6,598

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Proceeds from short-term borrowings	24,913	23,490
Repayments of short-term borrowings	△18,913	△31,546
Proceeds from long-term borrowings	2,050	21,000
Repayments of long-term borrowings	△2,252	△7,517
Proceeds from issuance of bonds	2,433	2,467
Redemption of bonds	△4,572	△42
Repayments of finance lease liabilities	△183	△51
Purchase of treasury shares	△0	△0
Purchase of investments in capital of subsidiaries without change in scope of consolidation	△1,858	—
Dividends paid	△1	△828
Dividends paid to non-controlling interests	△41	△63
Net cash provided by (used in) financing activities	1,574	6,906
Effect of exchange rate change on cash and cash equivalents	469	1,163
Net increase (decrease) in cash and cash equivalents	△1,586	7,716
Cash and cash equivalents at beginning of period	17,466	15,879
Cash and cash equivalents at end of period	15,879	23,596